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UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re

PACIFIC THOMAS CORPORATION  
DBA PACIFIC THOMAS CAPITAL,

Debtor.

Case No. 12-46534 MEH

Chapter 11

R.S. No. EAN-001

**DECLARATION OF STEVE  
NELSON IN SUPPORT OF  
MOTION FOR ORDER  
GRANTING RELIEF FROM THE  
AUTOMATIC STAY OF 11 U.S.C. §  
362; OR IN THE ALTERNATIVE  
FOR AN ORDER THAT THE  
AUTOMATIC STAY DOES NOT  
APPLY**

Date: October 23, 2013

Time: 2:00 p.m.

Ctrm: 215

U.S. Bankruptcy Court  
1300 Clay Street  
Oakland, California

I, Steve Nelson, declare as follows:

1. I am the President and Chief Operating Officer of Summit Bank ("Summit").

2. I know the following of my own personal knowledge and could and would testify competently thereto if called upon to do so.

3. In my capacity as President and Chief Operating Officer of Summit Bank, I am familiar with Summit's business records and documents relating to Summit's loan to Pacific

Declaration of Steve Nelson in Support of Motion for  
Order Granting Relief from the Automatic Stay; or in the  
Alternative for an Order that the Automatic Stay Does Not  
Apply

-1-

1 Thomas Corporation. Said records of Summit are kept in the ordinary course and scope of the  
2 business of Summit.

3 4. The Debtor filed its voluntary Chapter 11 bankruptcy petition on August 6, 2012.

4 5. On or about January 8, 2013, the Court appointed Kyle Everett as the Chapter 11  
5 Trustee in the Debtor's bankruptcy case.

6 6. Summit is a secured creditor of the Debtor and is currently owed \$8,413,390.94 as  
7 of September 12, 2013

8 7. On or about July 27, 2007, the Debtor made, executed and delivered to Summit a  
9 Written Promissory Note (the "Note"), a Written Business Loan Agreement ("BLA"). Pursuant to  
10 the terms of the Note and BLA, the Debtor promised to pay Summit the principal sum of  
11 \$8,100,000 plus interest fees and other charges. The entire balance of principal plus accrued  
12 interest and charges was all due and payable on March 31, 2011. A true and correct copy of the  
13 Note is attached hereto as Exhibit A. A true and correct copy of the Note is attached hereto as  
14 Exhibit B.

15 8. On or about July 27, 2007, the Debtor and Nova Group, a Nevada Corporation  
16 ("Nova Group"), in order to secure the obligations owing to Summit under the Note and BLA,  
17 made, executed and delivered to Summit a Deed of Trust (the "Deed of Trust"). Pursuant to the  
18 terms of the Deed of Trust, Nova Group pledged the Nova Parcel as security for the Debtor's  
19 obligations to Summit under the Note and BLA. A True and correct copy of the Deed of Trust is  
20 attached hereto as Exhibit C.

21 9. In addition to the Note, BLA and Deed of Trust, the Debtor also made, executed  
22 and delivered to Summit a Commercial Security Agreement and UCC-1 which provided Summit  
23 with additional collateral for the obligations of the Debtor under the Note and BLA.

24 10. The Debtor defaulted under its obligations under the Note and BLA. As a result of  
25 the Debtor's default, on April 7 2011, Summit caused a Notice of Default to be recorded in the  
26 Official Records of Alameda County. A true and correct copy of the Notice of Default is attached  
27 hereto as Exhibit D.

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Declaration of Steve Nelson in Support of Motion for  
Order Granting Relief from the Automatic Stay; or in the  
Alternative for an Order that the Automatic Stay Does Not  
Apply

-2-

